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EXAMINER

BASHORE, ALAIN L

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Please find below and/or attached an Office communication concerning this application or proceeding.

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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/276,823
Filing Date: March 26, 1999
Appellant(s): KAWAN ET AL.

MAILED
AUG 14 2007
GROUP 1700

Mr. Eric Sophir
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 7-2-07 appealing from the Office action
mailed 5-31-06.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is substantially correct. The changes are as follows: section 6 of appellant's brief regarding "issues" is understood to be "grounds of rejection". The grounds of rejection are: a) whether the rejection of claims 1-48 under 35 USC 112, first paragraph is proper; b) whether the grounds of rejection of claims 1-48 under 35 USC 112, second paragraph are proper; c) whether the rejection of claims 1, 3-35, 37-42, 44-48 under 35 USC 103(a) of Carlisle in view of (Derksen and Gungl) further in view of "Electronic

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Payment Systems" is proper; and d) whether the rejection of claims 36 and 43 under 35 USC 103(a) of Carlisle in view of (Derksen and Gungl) further in view of "Electronic Payment Systems" further in view of Taskett is proper.

Appellants brief on page 17 indicates a subparagraph "D" that should be "C".

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

5,649,118	Carlisle et al	7-1997
5,478,993	Derksen	12-1995
5,912,453	Gungl et al	6-1999
5,991,748	Taskett	12-1999

O'Mahony, Donal ; "Electronic Payment Systems"; Artech House, Inc.; 1997; pp.208-

212

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 1-48 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

There is recited in the independent claims "application-specific value" and "general value". These separate recitations are further recited as stored on separate "electronic applications". A lack of written description appears to be present because there is further recited in the independent claims an exchangeability and compatibility which would not allow one with ordinary skill in the art at the time the application was filed to distinguish one type of value over the other, and therefore be able to practice the invention as claimed.

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 1-48 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

There is recited in the independent claims "application-specific value" and "general value". The meets and bounds are not clear for each type of value so that the recitations are vague and indefinite, especially since there is also claimed an exchangeability and compatibility between the two values.

The recitations will be examined as best understood.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1, 3-35, 37-42, and 44-48 are rejected under 35 U.S.C. 103(a) as being unpatentable over Carlisle et al in view of (Derksen and Gungl et al) in further view of Electronic Payment Systems.

Carlisle et al discloses a system for performing a financial transaction. Multiple electronic applications store multiple application-specific values in the memory of a smart card (410; fig 10). A first terminal loads electronic applications onto the memory (col 18, lines 1-56), and a second terminal adjusts the amount of the application-specific value (Visa, MasterCard, food stamps etc...; fig 11; col 2, lines 25-30). The transaction application is stored in the second terminal (RW 418). A transaction application associated with at least one of the electronic applications performs a value exchange, wherein the application-specific values are each exchangeable in the transaction application (fig 12-14; col 1, lines 65 -67; col 22, lines 1-30; col 23, lines 40-58; col 24, lines 4-18). The application-specific values are inherently compatible within said system for performing financial transactions since they perform transactions.

A communication interface (4130, 4140; fig 10, col 18, lines 43-56), which may be contact-less (4125-4128; 4255-4158; fig 10, col 18, lines 43-56), transfers application specific value to or from different electronic applications. The transfer may be at least a portion of one of the application-specific values (col 3, lines 59-67). The financial transaction utilizes a first electronic application formatted for utilization with a settlement

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system associated with a second electronic application (fig 14; col 4, lines 1-18; col 21, lines 56 -67).

An auto-load application loads new application-specific value into first or second electronic applications that may be exchanged for a debit to a credit account (col 16, lines 55-60; col 21-lines 47-67; col 23, lines 10-29; col 23, lines 40-64).

The transaction is secured by encryption on the smart card utilizing purchase keys as a security mechanism (col 12, lines 42 -67; col 13, lines 1-11). A purchase device is utilized for removing value from said smart card (410, 415; fig 10). A funding source receives funds in exchange for transferring at least one of said application specific values to the smart card (col 21, lines 37-56). A settlement system is also present for accounting for the flow of application-specific value among the smart card and the purchase device (col 2, lines 25-28; col 14, lines 35-47).

A point-of-sale network is established between the smart card and a corresponding device (fig 10; col 17, lines 22 -37). Sufficiency of application-specific value as the amount inquired to perform the financial transaction and exchanging the sufficient amount or exchanging a deficient amount from other application-specific value (fig 13-14; col 23, lines 10-67). Usage may be tracked in order to determine a reward (col 16, lines 41-64; col 20, lines 15-22).

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Carlisle et al does not explicitly disclose:

storing general value in an electronic application;

application-specific value and the general value each exchangeable with each other in a transaction application;

transfer includes at least a portion of each of said application-specific value and said general value;

new application-specific value is exchanged from said general value;

new general value loaded by the auto-load;

the settlement system additionally accounting for the flow of new general value;

new general value amount as the value for determining sufficiency; and, exchanging a deficient amount from: general value or from general value that was converted from application specific value.

Derksen discloses storing general value in an electronic application (col 1, lines 11-50; col col 1, lines 54-67; col 2, lines 1-9).

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It would have been obvious to one with ordinary skill in the art to include storing general value in a separate electronic application to Carlisle et al because Derksen teaches general value as a separate application (col 1, lines 11-50), and Gungl et al teaches that multiple applications may be usable on a single smart card (col col 2, lines 26-56).

It would have been obvious to one with ordinary skill in the art to include a transfer of at least a portion of each of said application-specific value and said general value, or exchange there between, because Carlisle et al teaches the desirability of transferring portions of values for payment purposes (col 4, lines 3-10).

It would have been obvious to one with ordinary skill in the art to include new general value loaded by the auto-load since Carlise et al teaches auto-load to fulfill insufficient balances (col 21, line 40).

It would have been obvious to one with ordinary skill in the art to include the settlement system additionally accounting for the flow of new general value to Carlise et al because both Carlise et al and Derksen teach accounting of payments.

It would have been obvious to one with ordinary skill in the art to include new general value amount as the value for determining sufficiency to Carlise teaches the importance of sufficiency of accounts (col 21, lines 1-36).

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It would have been obvious to one with ordinary skill in the art to include exchanging a deficient amount from: general value or from general value that was converted from application specific value because Carlisle et al teaches exchange as a means to cover sufficiency of an account (col 21, lines 35-46).

Electronic Payment Systems discloses exchangeability between application-specific value and general value (p 212, para 7.2.8).

It would have been obvious to one with ordinary skill in the art to include application-specific value and general value exchangeable that are exchangeable with each other to Carlisle et al in view of (Derksen and Gungl et al) because Electronic Payment Systems teaches such for customer convenience and as a service to charge a fee (p212, para 7.2.8).

Claims 36 and 43 are rejected under 35 U.S.C. 103(a) as being unpatentable over Carlisle et al in view of (Derksen and Gungl et al) in further view of Electronic Payment Systems as applied to claims above, and further in view of Taskett.

Carlisle et al in view of (Derksen and Gungl et al) in further view of Electronic payment Systems does not explicitly disclose:

adding a predetermined amount of application-specific value to the smart card if a sufficient amount of the application-specific value does not exist; and,

exchanging all of the application-specific value, automatically loading new application-specific value, and exchanging at least a portion of the new application-specific value to complete the financial transaction.

Taskett discloses adding a predetermined amount of application-specific value to the smart card if a sufficient amount of the application-specific value does not exist (col 7, lines 15-44; col 8, lines 12-18). Taskett also discloses exchanging all of the application-specific value, automatically loading new application-specific value, and exchanging at least a portion of the new application-specific value to complete the financial transaction (col 2, lines 45-52).

It would have been obvious to one with ordinary skill in the art to include adding a predetermined amount of application-specific value to the smart card if a sufficient amount of the application-specific value does not exist to Carlisle et al in view of (Derksen and Gungl et al) in further view of Electronic payment Systems because Taskett teaches as wasteful discarding spent cards (col 1, lines 35-45).

It would have been obvious to one with ordinary skill in the art to include exchanging all of the application-specific value, automatically loading new application-specific value, and exchanging at least a portion of the new application-specific value to complete the financial transaction to Carlisle et al in view of (Derksen and Gungl et al) in further view of Electronic payment Systems because Taskett teaches that a card may become spent during an ongoing metered transaction such that recharge is required so that the metered transaction may continue (col 2, lines 39-52).

(10) Response to Argument

A lack of written description appears to be present because there is further recited in the independent claims an exchangeability and compatibility which would not allow one with ordinary skill in the art at the time the application was filed to distinguish one type of value over the other, and therefore be able to practice the invention as claimed. The description on page 7, lines 19-29 of appellant's specification does not make clear to one with ordinary skill in the art in clear, concise and exact terms what is a general value and a specific to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the invention.

Regarding second paragraph considerations, it is not clear what are the meets and bounds of "general" and "specific" in a determination of when a value is one or the other. Appellant's definition uses terms such as "readily accepted" and "limited acceptance" which do not clearly define meets and bounds.

Regarding Carlisle, appellant argues that Carlisle discloses only application-specific value. Appellant then defines "application-specific" value as: a value for a transaction of those particular items and listed in an item table of each application. This specific definition is not found in appellant's specification, and the claim is not limited to such.

Regarding Derksen, appellant argues that Derksen discloses only application-specific value. Appellant then defines "application-specific" value as: separate money compartments that can be used only at certain designated payment sites pursuant to certain payment site arrangements. This specific definition is not found in appellant's specification, and the claim is not limited to such.

As an alternative interpretation of Carlisle and Derksen, there is disclosed general value (Visa, MasterCard) and application-specific value (food stamps etc...). Derksen discloses different types of payment instruments to be put on one card. It would have been obvious to one with ordinary skill in the art to make all compatible, on the same system, or on the same card because Derksen teaches security problems with different application as separate (col 1, lines 54-61). Visa and MasterCard (in general) is "readily accepted" while food stamps is "limited acceptance".

Regarding Gungl, this reference does not teach away from describing multiple applications that may be usable on a single smart card.

Regarding Electronic Payment Systems, appellant argues that the reference discloses only application-specific value. The reference is used to show that application specific value may be transferred to general value. The use of a refund as disclosed in paragraph 7.2.8 shows clearly that transfer. It would have been known to one with ordinary skill in the art to issue refunds for the purposes of routine financial transactions in the art per se.

Regarding Taskett, appellant argues that the reference cannot convert specific value for phone charges back into funds for the prepaid instrument, credit card, or debit card. The electronic payment systems reference is utilized for the provision for refunds.

The term "general value" appears to be disclosed in the prior art as described in the rejection and arguments above.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

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(12) Conclusion

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,



**ALAIN L. BASHORE
PRIMARY EXAMINER**

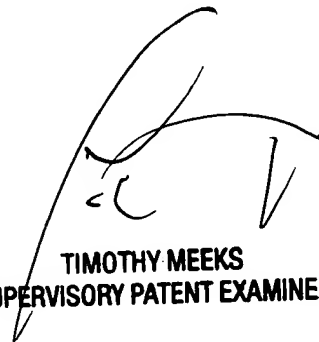
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